Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

CONFIDENTIAL

PAGE 01 GENEVA 11577 01 OF 02 271608Z
ACTION STR-02

INFO OCT-01 SS-14 ISO-00 EUR-08 IO-06 NSCE-00 EB-04
TRSE-00 INR-05 CIAE-00 NSAE-00 DODE-00 L-01 SP-02
SSO-00 INRE-00 H-01 STRE-00 /044 W
----------098990 271619Z /64
O 271603Z JUL 78
FM USMISSION GENEVA
TO SECSTATE WASHDC IMMEDIATE 2603
INFO AMEMBASSY BRUSSELS

C O N F I D E N T I A L SECTION 01 OF 02 GENEVA 11577

LIMDIS

USMTN

USEEC

PASS STR ELECTRONICALLY FOR AMBASSADOR WOLFF FROM
AMBASSADOR MCDONALD

E.O. 11652: GDS
TAGS: ETRD, MTN
SUBJECT: COUNTERVAILING DUTY (CVD) WAIVER EXTENSION

REF: STATE 186719

1. FOR THE REASONS LISTED IN REFTEL, THE ISSUE OF AN EXTENSION OF THE COUNTERVAILING DUTY WAIVER POSES A DIFFICULT DILEMMA FOR THE STR AND THE ADMINISTRATION. CERTAINLY OUR STRONGEST NEGOTIATING POSTURE WOULD BE TO HAVE A SIMPLE WAIVER EXTENSION AVAILABLE FOR USE BY THE ADMINISTRATION AT THE DISCRETION OF THE PRESIDENT CONTINGENT UPON THE SUCCESSFUL NEGOTIATION BY DECEMBER 15 OF AN ACCEPTABLE TOKYO ROUND PACKAGE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 GENEVA 11577 01 OF 02 271608Z

2. REGRETTABLY, FROM A NEGOTIATING PERSPECTIVE, ALL OF THE IMPLICATIONS OF THE WAIVER EXPIRING AND CVD BEING IMPOSED IN JANUARY ARE NEGATIVE. THIS PROSPECT NORMALLY ELICITS HOSTILE REACTIONS FROM OUR NEGOTIATING PARTNERS RATHER THAN A DESIRE TO COOPERATE FOR A MAXIMUM RESULT. IT ALSO CONCERNS NOT ONLY THE EC BUT, AMONG OTHERS, THE NORDICS AND THE SWISS, ON WHOM WE COUNT FOR MODERATE

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

POSITIONS NORMALLY SUPPORTIVE OF THE U.S. AIMS IN THE TOKYO ROUND. WITHIN THE EC, UNFORTUNATELY, THE MEMBER STATES MOST FRIENDLY AND SUPPORTIVE OF THE U.S. POSITION ARE THE ONES MOST HEAVILY HIT BY THE PENDING CASES (E.G., GERMANY, DENMARK, AND HOLLAND WITH CHEESE, CANNED HAMS, AND EVEN BUTTER COOKIES). IF THESE MEMBER STATES WAVER IN THEIR SUPPORT FOR A SIGNIFICANT TOKYO ROUND RESULT, THE EC DECISION BALANCE COULD CLEARLY SHIFT UNFAVORABLY TOWARD THE VIEWS OF THE MORE NEGATIVE MEMBER STATES.

3. OUR ESTIMATE IS THAT OUR NEGOTIATING DIFFICULTIES WOULD BE PARTICULARLY INCREASED IN THE FOLLOWING AREAS:

A) AGRICULTURE - THE FRENCH ARE ALREADY ALARMED AT WHAT THEY VIEW AS EXCESSIVE CONCESSIONS IN THE AGRICULTURAL SECTIONS OF THE JULY 13 "FRAMEWORK OF UNDERSTANDING." WE NEED NO ADDITIONAL LIABILITIES IF WE ARE TO OBTAIN THE NECESSARY RESULTS HERE FOR GREATER SUBSIDY DISCIPLINE IN THIRD CDUNTRIES AND IMPROVED ACCESS FOR SPECIFIC PRODUCTS.

B) IN THE SUBSIDIES CODE ITSELF, EC PRESSURE WILL INCREASE FOR SIMPLE U.S. COMPLIANCE WITH GATT RULES AND OUR NEGOTIATING LEVERAGE TO OBTAIN IMPORTANT GUIDELINES FOR GREATER SUBSIDY DISCIPLINE MAY WELL BE REDUCED.

CONFIDENTIAL

CONFIDENTIAL

C) THE OVERALL RESULTS COULD BE HELD HOSTAGE TO THE U.S. ACCEPTING FULL COMPLIANCE WITH ALL GATT REQUIREMENTS ON A FORMAL BASIS SINCE THIS IS THE CORE PROBLEM AS VIEWED BY OTHERS RATHER THAN THE EXPIRATION OF THE WAIVER.

4. FINALLY, THEIR DIFFERENT PERSPECTIVES ON NATIONAL RESPONSIBILITIES CONCERNING THE EXPIRATION OF THE WAIVER SHOULD BE KEPT IN MIND EVEN IF WE DIFFER WITH THEIR POINTS OF VIEW. IN GENERAL, THE EUROPEANS PARTICULARLY OBJECT TO ANY KIND OF ULTIMATUM RESPONSE PROCESS. THEY CONSIDER THE WAIVER EXPIRATION AT THIS TIME WHEN TOKYO ROUND NEGOTIATIONS ARE NEARING AN END AS REPRESENTING A DIRECT COERCIVE ACTION. TO RESIST IT MIGHT HAVE CONSIDERABLE POLITICAL APPEAL HERE. SECONDLY, MOST NON-AMERICANS CONSIDER THE CRISIS TO BE UNILATERALLY GENERATED BY THE U.S. GOVERNMENT AND THE CONGRESS, WHO HAVE THE AUTHORITY TO POSTPONE THE DISRUPTION OF CURRENT TRADE PATTERNS AT LEAST FOR THE FEW MONTHS NEEDED FOR A DISPASSIONATE REVIEW OF THE TOKYO ROUND RESULTS. IN THE VIEW OF THE MTN DELEGATION, ALTHOUGH THE DANGER OF THE DATE IS CLEARLY PERCEIVED BY OUR NEGOTIATING PARTNERS AND HAS BEEN REPEATEDLY AND EMPHATICALLY COMMUNICATED TO THEM NOW

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

OVER MANY MONTHS, IT HAS GIVEN US NO APPRECIABLE
NEGOTIATING ADVANTAGE. IT HAS NOT SERVED TO BRING THE
NEGOTIATIONS ALONG TO THEIR CURRENT STATE OF ADVANCEMENT
NOR HAS IT INFLUENCED THE SUBSTANTIVE CONTENT OF DIS-
CUSSIONS WITH THE POSSIBLE EXCEPTION OF REINFORCING THE
RESENTMENT OF OTHER COUNTRIES AT THE CONTINUING PROVI-
SIONAL APPLICATION OF THE GATT BY THE U.S. NOW FOR SOME
30 YEARS.

5. IN SUM, WE STRONGLY FAVOR THE SOLUTION DESCRIBED IN

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 GENEVA 11577 02 OF 02 271607Z
ACTION STR-02

INFO OCT-01 SS-14 ISO-00 EUR-08 IO-06 NSCE-00 EB-04
TRSE-00 INR-05 CIAE-00 NSAE-00 DODE-00 L-01 SP-02
SSO-00 INRE-00 H-01 STRE-00 /044 W
----------098899 271619Z /64
O 271603Z JUL 78
FM USMISSION GENEVA
TO SECSTATE WASHDC IMMEDIATE 2604
INFO AMEMBASSY BRUSSELS

C O N F I D E N T I A L SECTION 02 OF 02 GENEVA 11577

LIMDIS

USMTN, USEEC

PASS STR ELECTRONICALLY FOR AMB WOLFF FROM AMB MCDONALD

PARA ONE IF THIS IS POLITICALLY DOABLE. MCDONALD

CONFIDENTIAL

NNN

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COUNTERVAILING DUTIES
Control Number: n/a
Copy: SINGLE
Draft Date: 27 jul 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA11577
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780308-0571
Format: TEL
From: GENEVA USMTN
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780715/aaaaamnc.tel
Line Count: 157
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ff3fd76b-c288-dd11-92da-001cc4696bcc
Office: ACTION STR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: 78 STATE 186719
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01 aug 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1871242
Secure: OPEN
Status: NATIVE
Subject: COUNTERVAILING DUTY (CVD) WAIVER EXTENSION
TAGS: ETRD, MTN
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/ff3fd76b-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014